



355-15

## Staff Summary

**Subject:**

Resolution—Authorizing the submission of an application to the United States Department of Commerce, Foreign Trade Zone Board for Foreign Trade Zone-Alternative Site Framework designation for a location in Inwood, New York.

**Department:**

County Executive

**Department Head Name:**

Edward P. Mangano

**Department Head Signature****Date:**

July 17, 2015

**Internal Approvals**

Date & Init.	Approval	Date & Init.	Approval
9/1/15	County Executive or Deputy	9/2/15	Director of Legislative Affairs
	Budget	9/1/15	Counsel to County Executive

**Narrative:**

A foreign trade zone is a designated site that allows foreign or domestic items to enter the United States without the payment of normal customs duties or government taxes. These sites help offset the higher cost of doing business in the United States.

**Purpose:**

This resolution would allow for the submission of an application to the United States Department of Commerce, Foreign Trade Zone Board for Foreign Trade Zone-Alternative Site Framework designation for a location in Nassau County. The New York State legislature allowed for a Foreign Trade Zone located in Suffolk County and allowed for one location in Nassau County to be designated a Foreign Trade Zone subzone. Expeditors International of Washington, Inc. owns the named location and wishes to apply for the status. An application will be submitted upon the approval of the Nassau County Legislature.

**Discussion/Procedure:**

Upon the approval of the Legislature, Expeditors International of Washington, Inc. will be able to start the application process to the U.S. Department of Commerce, Foreign Trade Zone Board for Foreign Trade Zone-Alternative Site Framework.

**Impact on funding:**

None.

**Recommendation:**

Approve as submitted.

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RECEIVED  
CLERK OF THE LEGISLATURE  
NASSAU COUNTY

**EDWARD P. MANGANO**  
County Executive



**CARNELL T. FOSKEY**  
County Attorney

## **County of Nassau Inter-Departmental Memo**

**To:** Clerk of the County Legislature  
**From:** County Attorney  
**Date:** August 27, 2015  
**Subject:** RESOLUTION ORIG. DEPT—COUNTY EXECUTIVE

A RESOLUTION authorizing the submission of an application to the United States Department of Commerce, Foreign Trade Zone Board for Foreign Trade Zone-Alternative Site Framework designation for a location in Inwood, New York.

The above-described document attached hereto is forwarded for your review and approval and subsequent transmittal to the County Legislature for inclusion upon their calendar.

**CARNELL T. FOSKEY**  
County Attorney

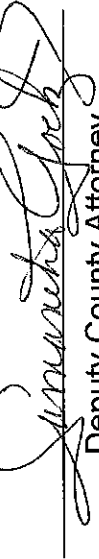
A handwritten signature in cursive script, reading "Samantha Goetz", is written over a horizontal dashed line.

By: Samantha A. Goetz  
Deputy County Attorney  
*Appeals and Opinions Bureau*

Attachments

**RESOLUTION NO.        -2015**

A RESOLUTION authorizing the submission of an application to the United States Department of Commerce, Foreign Trade Zone Board for Foreign Trade Zone-Alternative Site Framework designation for a location in Inwood, New York.

APPROVED AS TO FORM  
  
Deputy County Attorney

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MASSACHUSETTS  
CLERK OF THE LEGISLATURE  
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WHEREAS, a Foreign Trade Zone (FTZ) is a designated location in the United States where eligible companies can access benefits that help encourage U.S. business activity in competition with foreign alternatives; and

WHEREAS, the fundamental benefit of the FTZ program is to allow U.S. based companies to defer, reduce and/or eliminate customs duties on products admitted to the zone, without any effect on a company's tax or other legal liabilities in the County and State; and

WHEREAS, under Section 224 of the New York County Law, counties may be authorized to make application to the United States FTZ Board to establish foreign trade zones

within their boundaries, to encourage and expedite foreign commerce and to stimulate local economic growth and development through job retention and creation; and

WHEREAS, under Section 224 (18) of the County Law, Suffolk County was authorized to make an application to establish, operate and maintain a foreign trade zone within the County of Suffolk (FTZ No. 52), and authorized to establish a subzone for one location in Nassau County upon the approval of the Nassau County Legislature, pursuant to the Regulations of the FTZ Board as set forth in Title 15 Code of Federal Regulations Part 400, and the U.S. Foreign Trade Zones Act of 1934, as codified in 19 U.S.C. § 81a; and

WHEREAS, Expeditors International of Washington, Inc. ("Expeditors") is a global logistics company headquartered in Seattle, Washington, which owns a distribution warehouse facility located in Nassau County at 245 Roger Avenue, Inwood, New York, otherwise known as Section 40, Block L, Lot 2578; and

WHEREAS, Expeditors currently employs approximately 140 individuals in its Inwood facility and the establishment of a Foreign Trade Subzone will result in employment growth of 15-20 additional jobs upon activation of the subzone; and

WHEREAS, Use of the zone procedures will help Expeditors with their distribution operations, customers and the local market to enhance international competitiveness by enabling administrative, tax, and cost savings; and

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WHEREAS, Expeditors has requested FTZ No. 52 to sponsor an application to the FTZ Board, to establish and operate a subzone for their Nassau County location; and

RESOLVED, Expeditors and Suffolk County are authorized to make an application to the Foreign Trade Zones Board, U.S. Department of Commerce, for establishment of a Foreign

Trade Subzone for the Nassau County premises known as 245 Roger Avenue, Inwood, New York.

RESOLVED, it is hereby determined, pursuant to the provisions of the State Environmental Quality Review Act, 8 N.Y.E.C.L. section 0101 et seq. and its implementing regulations, Part 617 of 6 N.Y.C.R.R., and Section 1611 of the County Government Law of Nassau County, that this authorization is a "Type II" Action within the meaning of Section 617.5(c)(20) of 6 N.Y.C.R.R. ("routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment"), and, accordingly, is of a class of actions which do not have a significant effect on the environment; and no further review is required.

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Expeditors International  
of Washington, Inc.

1015 Third Avenue  
12th Floor  
Seattle, WA 98104-1190

Tel: 206-674-3400  
Fax: 206-682-9777

June 8, 2015

Suffolk County  
P.O. Box 6100  
Hauppauge, NY 11788

Attn: FTZ No. 52, Mr. Adam Santiago  
Re: Notice of Intention to Apply for FTZ Status

Dear Mr. Santiago:

This is to formally notify FTZ No. 52 that Expeditors International of Washington, Inc. ("Expeditors") wishes to obtain sponsorship with FTZ No. 52 and apply for FTZ status for the Expeditors distribution warehouse facility located at 245 Roger Avenue, in the city of Inwood, county of Nassau, in the state of New York.

We plan to obtain FTZ status for this facility and operate under zone procedures. Use of zone procedures will help our distribution operations, customers and the local market contribute to enhanced international competitiveness by enabling administrative, tax, and cost savings. This also supports growth and improvement in global supply chain by achieving efficiencies inherent to the FTZ admission and entry processes. Expeditors currently employs 140 individuals (approximately 20 employees reside in Suffolk County) at its distribution operations.

Expeditors plans to implement zone procedures for existing customers, as well as new customers. Our business supports a number of local suppliers and service providers within the New York area. Operating under zone procedures will facilitate future growth within the local market. Based on historical and budgeted expectations, we anticipate an increase in business of 5 – 7 % annually. Our hiring patterns and use of local suppliers and service providers equates to our business growth so we anticipate further beneficial impact to the market through additional resources. Based on immediate customer needs, we may be required to hire 15 – 20 additional employees upon activation of our zone.

Expeditors is very interested in obtaining the sponsorship of FTZ No. 52 in this endeavor. Expeditors will prepare the appropriate FTZ Board Application (e.g. Subzone) and present it to FTZ No. 52 for its sponsorship and transmittal to the FTZ Board ("FTZB") for approval. Expeditors will also work closely with the New York Customs and Border Protection ("CBP") Port Director and FTZ No. 52 to obtain an application concurrence letter that will also be filed with the FTZB.

In addition, Expeditors will enter into a Grantee/Operator Agreement with FTZ No. 52 prior to the formal CBP activation of portions of the operating areas within the FTZB approved area. We also understand that FTZ No. 52 will assess certain fees consistent with its published Zone Schedule and invoice Expeditors for those charges on a periodic basis.

*You'd be surprised how far we'll go for you®*



Please feel free to contact Wendy Armbruster, FTZ Program Manager at 734-992-8221 should you have any questions concerning the above.

Sincerely,

A handwritten signature in cursive script that reads "Rosanne Esposito".

Rosanne Esposito  
Executive Vice President-Global Customs

Expeditors International of Washington, Inc.  
1015 Third Avenue, 12th Floor  
Seattle, Washington 98104  
Phone: 206-674-3400